

ATTN: International Tax Reform Working Group

April 7, 2013

Dear Representative Nunes and Blumenaur,

I am writing to ask that the International Taxation Committee of the Ways & Means Committee for Tax Reform seriously consider the ACA proposal for reform to Residency-based taxation RBT. See link: <http://americansabroad.org/files/6513/6370/3681/finalsubrbtmarch2013.pdf>

As one of nearly 7 million American citizens living, working and voting from abroad, and contributing to the economic growth of the U.S. economy, I believe the current Citizenship based taxation regime must be reformed. Current tax policy is negatively affecting this important sector of American and their ability to compete for jobs, grow the US economy through international business and exports, and live overseas. Current tax policy damages both individuals and the welfare of our country.

The following are some examples of the fallout on Americans working overseas from current U.S. Citizenship based taxation:

- Inability to relocate and work internationally
- Denial of job opportunities or job advancement
- Refusal of entry into business partnerships
- Closure or denial of financial instruments (pensions, insurance policies, bank accounts, etc.)
- Exposure to double taxation or increased tax burden
- Financially ruinous penalties due to broad application of criminal tax evasion regulations on those making simple filing errors due to complexity of the US tax code.

I have been personally affected by this situation as I have had one bank account moved to the sole office "dealing with Americans" - the account subsequently closed. I am constantly fearful that I am somehow inadvertently doing something "illegal" in the eyes of my government, just for simply living as anyone does: with a basic checking account to receive my salary and pay my monthly bills, and a retirement savings account. I hear rumors that fewer Americans will be engaged because we cost the organization more money. I hear about banks that do not want Americans as clients because we are not worth their expense due to the complexity of reporting obligations. I am fearful that purchasing real estate or investing abroad as a family with my husband might someday cost us more than the return on any investment we make due to what appears unfair reporting and potential tax on average Americans abroad. Some people recommend, to my horror, that family assets should be only in the name of my foreign husband! Imagine if something happened to him? This is not a good example for American women and men, spouses of foreign nationals, cutting their financial independence due to fear of losing their hard-earned investments to either excessive taxation or penalties just because they live abroad. I believe that citizens living abroad are both average Americans and extraordinary – because we act as informal "ambassadors", promoting and demonstrating an America that is internationally minded, encouraging and engaging in business and cultural exchange.

Please seriously consider the RBT proposal submitted by American Citizens Abroad (ACA). A move towards a residence-based system, like the rest of the world, not only would it be simpler and fairer for Americans living abroad, but it would actually bring in MORE tax revenue than the current system, which wastes compliance resources for very little return. RBT would increase United States exports strongly by facilitating American mobility in the global business environment of today's world.

Yours sincerely,



Sarah A. Wade-Apicella
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